

**RESOLUTION 797**

**RESOLUTION OF CITY OF PRINEVILLE, CROOK COUNTY, OREGON  
AUTHORIZING NEGOTIATION OF AN AMENDED LEASE/PURCHASE  
AGREEMENT, RELATED DOCUMENTS AND ISSUANCE OF JUNIOR LIEN  
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 1995**

WHEREAS, the City Council of City of Prineville (the "City") finds.

A The City previously entered into various financing documents to provide funds with which to acquire certain capital assets for a golf course clubhouse and related golf course equipment and improvements and executed the following documents, among others, collectively referred to as the "1993 Golf Course Project Documents", to wit:

(i) Resolution No. 744 dated January 26, 1993;

(ii) Resolution No. 764, adopted November 23, 1993;

(iii) Site Lease/Default Agreement between the City and the United States National Bank of Oregon (the "US Bank"), dated March 1, 1993;

(iv) a Lease/Purchase Agreement between City and the US Bank, dated March 1, 1993;

(v) a First Amendment/Lease Purchase Agreement between City and US Bank, dated December 15, 1993;

(vi) a Trust Agreement among the City, US Bank and First Interstate Bank of Oregon, N A , dated December 15, 1993; and

(vii) an Assignment between US Bank and First Interstate Bank of Oregon, N.A. dated December 15, 1993

B It is now necessary to issue Refunding Certificates under the above mentioned Trust Agreement for Certificates maturing on December 1, 1995 to provide additional funds as are required by the Trust Agreement

C It is in the best interest of the City to authorize negotiation of an Amended Lease/Purchase Agreement, a Supplemental Trust Agreement, Certificate Purchase Agreement and related documents which provide for the issuance of Junior Lien Refunding Certificates of Participation, Series 1995 in a principal amount of not more than \$300,000 to finance the requirements of the Trust Agreement and the costs of issuance, therefore be it

RESOLVED, that.

1 The Manager or his designee (the "Manager") of the City be authorized to.

a. Negotiate an Amended Lease/Purchase Agreement in a principal amount of not more than \$300,000 in substantially the form attached hereto as Exhibit A;

b. Negotiate a Supplemental Trust Agreement, which provides for the issuance of Refunding Certificates of Participation (the "Certificates") representing the principal amount payable under the Lease/Purchase Agreement in substantially the form attached hereto as Exhibit B; and

c. Covenant for the benefit of the owners of the Certificates to comply with all provisions of the Internal Revenue Code of 1986, as amended, which are required for the interest component of lease payments payable under the Lease/Purchase Agreement to be excluded from gross income for federal income tax purposes, as provided in the Lease/Purchase Agreement.

2. The following parties are hereby appointed:

a. United States National Bank of Oregon, as senior managing underwriter,

b. Preston Gates & Ellis, as special counsel, and

c. First Interstate Bank of Oregon, N.A., as escrow agent and paying agent for the Certificates.

3. The Manager, on behalf of the City, may:

a. participate in the preparation and distribution of a preliminary official statement or other disclosure document for financing,

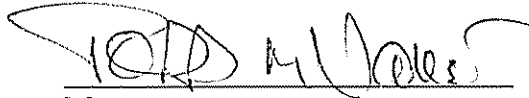
b. negotiate the terms of a Certificate Purchase Agreement with the underwriters, establish the final principal amount (not to exceed \$300,000), interest rates (at a true interest cost not to exceed 8%), sale prices and other terms of the Certificates;

c. execute and deliver all agreements and documents and the Certificate Purchase Agreement, with such changes as the Manager finds are in the best interests of the City, and

d execute and deliver any other certificates or documents which are reasonably required to finance the Project and to issue, sell and deliver the Certificates in accordance with this resolution

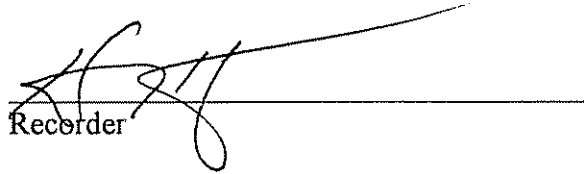
DATED this 14th day of November, 1995

**City of Prineville**



Mayor

ATTEST:



Recorder